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SUBJECT: U.S./BOLIVIA RELATIONS: HOW WE GOT HERE

Classified By: A/EcoPol Chief Joe Relk for reasons 1.4 b,d

¶1. (C) Summary: President Evo Morales has repeatedly stated that he will "never break relations with the United States," and he has recently expressed hopes that bilateral relations will improve under the Obama administration. Privately, however, high-level officials told us as early as 2007 that Bolivia seeks to "distance" itself from the United States. President Morales also regularly uses rhetorical attacks on the United States as a way to garner support and distract from domestic problems. This report presents a timeline of significant bilateral moments since the election of President Evo Morales (who won the election of December 18, 2005 to enter into office on January 22, 2006.) End Summary.

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Post-election, Pre-Inauguration  
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¶2. (U) After the election but before taking office, President Morales continued the occasional anti-American statements he had used effectively in his campaign. In his December 18 informal victory declaration, he called for an end of the "relationship of submission" with the United States and rallied his audience with his oft-repeated cocalero (coca grower) slogan of "Death to the Yankees, long live coca!"

¶3. (C) However, in a January 2, 2006 "breaking the ice" meeting at the Ambassador's residence, President-elect Morales claimed he had not publicly maligned the USG (at least not in the post-election period) and expressed deep resentment about being allegedly branded a "narco-terrorist" by some U.S. officials. Throughout the discussion, Morales repeatedly stated that he wanted to resolve disagreements, including with the United States, through dialogue.

¶4. (C) On January 21, 2006, the day before Morales' inauguration, Morales met with A/S Thomas Shannon in La Paz. Saying that he was now the head of government and no longer an opposition leader, Morales underscored the importance of relations with the United States and his willingness to continue bilateral dialogue. Morales also said he was

prepared to work constructively on areas of shared concern. On U.S.-Bolivia relations, Morales explained that after all the accusations he had turned the page. He fully agreed with VP-elect Alvaro Garcia Linera on the unique importance of the meeting with A/S Shannon for which he mentioned he had canceled other scheduled meetings. It is critical for Bolivia to have relations with the world's most important power, he explained, but in the context of mutual respect. "Before I used to call for 'death to the oligarchy.' But I know I have lots to learn."

15. (C) In the meeting with A/S Shannon, Vice President Garcia Linera added that the Morales government was interested in ensuring the health of its alliances with the U.S. and European partners, and hoped to continue receiving the aid on which Bolivia depends greatly for its education, health and infrastructure needs - "but with the aim of shedding the dependency and standing on our own two feet."

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Morales' First Two Years in Office: 2006-07  
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16. (C) Morales' first year in office brought two congressional delegations to Bolivia and renewal of Bolivia's Andean Trade Promotion and Drug Eradication Agreement (ATPDEA) trade benefits. In December 2006, Vice President Garcia Linera emphasized to Ambassador Goldberg "on behalf of the president" his government's gratitude to "the Congress and the U.S. government" for approving a six-month extension of ATPDEA benefits. Garcia Linera went on to praise Secretary Rice's key role in sending a letter to the Hill: "This is a very positive sign in our relationship -- a huge step ahead."

17. (C) Despite this positive development, 2006 and 2007 were marked by frequent anti-USG statements from high-level Bolivian government officials, particularly President Morales. Morales repeatedly accused the USG and specifically Ambassador Philip Goldberg (who arrived in September 2006) of leading "conspiracy" against him. For example, at the November 2007 Ibero-American Summit, Morales displayed a picture of Ambassador Goldberg taken at a trade show with a passerby who was later arrested as an alleged criminal but then released. Morales claimed that the photo with a "Colombian paramilitary" was evidence of "an open conspiracy."

18. (SBU) Morales summarized many of the conspiracy theories of his first two years in office in a December 7, 2007 interview with Venezuelan TV network Telesur: "...here the conspiracy against the government is headed by the Embassy of the United States and oligarchies...last year, here in La Paz a U.S. citizen appeared with bombs, killing people...Second, an American who has ties to the U.S. Embassy in Bolivia in the past months entered with 500 bullets...she was stopped, and according to the U.S. Ambassador in Bolivia, (the bullets) were for hunting in Bolivia...I don't know if it was to hunt Evo Morales..." (Note: The bomb-placing American was seemingly mentally-disturbed and not attached to the Mission. The bullets mentioned had been brought by a friend of the family for a country team member for target practice, however Morales publicly described the event as "terrorism." End note.)

19. (C) In a private meeting on October 5, 2007 Deputy Foreign Minister Hugo Fernandez told visiting DAS McMullen and WHA/AND Director Chacon "we are tired of a one-sided relationship" and "we want to create distance from the United States." Fernandez explained that the 2007 decisions to require visas for American tourists and to establish ties with Iran, as well as repeated attacks on USAID, should be viewed in that context. Fernandez's statement was the first time a Morales government official acknowledged that the Bolivian government was purposefully distancing itself from the United States.

110. (SBU) In two separate public speeches in December 2007, President Morales told his followers that "the U.S. Embassy

is here to organize a conspiracy" against his government and announced that Bolivia no longer needed foreign control in the counternarcotics effort, as this is "an old-fashioned colonial mechanism...at this point, it is no longer important that they continue imposing certification or decertification policies...We no longer want any foreign control; we are responsible for addressing this issue..."

¶11. (SBU) Nevertheless, on December 20, 2007, Morales declared publicly "despite these aggressions and conspiracies on the part of the Ambassador of the United States, we are not going to break dialogue, we will maintain diplomatic relations...How nice it would be if the U.S. government would recommend to its Ambassador not to come here to conspire, not to come to Bolivia to make politics but rather to do diplomacy..."

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2008: Accusations Escalate to Actions  
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¶12. (U) In a June 6, 2008 press briefing, Presidency Minister Quintana provided a detailed presentation on the "six branches" of the Embassy, describing USAID as a political entity and calling the Peace Corps a "dependent entity of the United States which permits hundreds of U.S. students to arrive in Bolivia as intelligence personnel." In a July meeting with A/S Shannon, Morales repeated his assertion that Peace Corps volunteers are "intelligence agents."

¶13. (SBU) On June 9, 2008 after a weekend of anti-U.S. rhetoric from MAS-aligned El Alto leaders and public statements from President Morales (accompanied by the Cuban ambassador) blaming the USG for granting asylum to ex-Defense Minister Sanchez Berzain, thousands of Morales' supporters protested at the Embassy. At various times the Embassy was surrounded, and protesters threw rocks, dynamite, and burning items over the walls of the compound, resulting in injuries to a number of police. On June 15, President Evo Morales praised the June 9 violent demonstration: "(the Embassy) protects criminals, defends them and hides those who for so many years caused such damage to the Bolivian people...Congratulations for this great organization, for this great mobilization of leaders."

¶14. (SBU) On June 25, 2008 cocalero leaders in the Chapare declared their intent to expel USAID from the Chapare, and the next day Morales endorsed their decision and broadened the scope to include all U.S. presence in the Chapare, including NAS and DEA. (Note: Morales continues to this day to serve as the president of the cocaleros union. End note.)

¶15. (U) The day before A/S Shannon arrived to meet with him on July 23, Morales gave a speech, saying, "Tomorrow at five in the morning I am going to meet with that gringo coming from the United States. I am going to meet with him and I am going to show him the evidence that the United States is propagating a campaign against me, against my government, and, most of all, against the social movements." Later in the day, Morales attempted to limit A/S Shannon's movement in the country, saying, "Bolivia is a sovereign country and any foreign officials who come to visit need to have permission from the national government or from the Foreign Minister (in order to travel throughout the country)."

¶16. (C) On July 23, A/S Shannon met with Morales, who expressed his regret for the June 9 march on the Embassy and its aftermath and acknowledged that Bolivia "needs" the United States. However, Morales also cited "proofs" of a USG conspiracy against him and his government. Morales complained that "since the 90s the Department of State has described me as a narco-trafficker..." Morales also said USAID money was used to conspire against him. In response, Shannon said that the United States was committed to the success of Bolivian democracy and the Bolivian people and had no interest in conspiracy against the Morales government. Shannon mentioned President Bush's congratulatory phone call after Morales' election and the meeting held with Secretary

Rice. The A/S highlighted how the USG has modified its anti-narcotics tactics to work with the GOB, re-certified the GOB, and extended ATPDEA benefits. He also noted that the USG had worked with multilateral development banks to forgive USD1 billion in loans owed by Bolivia. Shannon said that Bolivia and the United States are in a "critical moment in our relationship" and that he wanted security guarantees for USAID and the Peace Corps so as "to be able to continue with these programs." Morales responded that "if the conspiracy stops then we can begin a new relationship based on our proposed agenda." In closing, Morales said "We will not break relations. We will continue to put up with and bear these things."

¶17. (C) Despite A/S Shannon's offer for future bilateral meetings--and amidst continuing accusations of conspiracy and espionage--on September 10, 2008 Morales declared the Ambassador persona non grata. Throughout 2008, members of the Morales government had made public allegations that Ambassador Goldberg's "Balkan separatist expertise" from his tour in Kosovo was evidence of his intent to divide Bolivia. Morales also publicly criticized the Ambassador's visits with opposition leaders and even indigenous leaders of groups not aligned with Morales' MAS party. In light of increasing threats of violent protests at the Embassy, unclear signals concerning the Morales Administration's intent to protect the Mission from attacks, and the expulsion of the Ambassador, the Embassy went to Authorized Departure in September.

¶18. (U) During his speech at the United Nations General Assembly meeting in New York on September 24, 2008, Morales again spoke against the United States: "Why the expulsion of the U.S. ambassador? Because Latin America rejects this attempt at civil coup. In Bolivia groups from the Right burn gas lines and cut valves...but the U.S. government through the embassy does not condemn those acts of terrorism and just stays there. Evo Morales is the Andean Bin Laden and the campesinos (small farmers) are the Taliban, that is to say that you are meeting in this moment with an Andean Bin Laden..."

¶19. (U) Following Bolivia's counternarcotics decertification in September, President Bush suspended Bolivia's ATPDEA trade benefits in late September 2008. Morales responded that "We cannot kneel for 63 million dollars." Later in December 2008, Foreign Minister Choquehuanca announced that the Bolivian government would prepare a WTO case to protest the loss of ATPDEA benefits: "We have reasons, therefore we are preparing an international suit, because we consider and are sure that the measure was taken as an unjust and political measure."

¶20. (SBU) After refusing DEA overflight permission in October, on November 1 Morales announced that he was expelling DEA from the country. Per our bilateral agreement, DEA then had 90 days to leave the country.

¶21. (U) At a public event November 12, Morales announced "Within this call for defense of sovereignty and dignity, of pride of the Bolivians, now little by little, starting with the Ambassador, with USAID, DEA, and if anyone is listening to me, we are also after the CIA. As they follow me, so we have the authority to go after the CIA." Later that month, Morales alleged that the CIA supported a supposed coup against him: "yesterday until 11, 12 at night I was talking with some officials of the Police, the Armed Forces, personally investigating. It's impressive how they've prepared-the racists, the fascists-to get rid of us, with participation of the CIA."

¶22. (U) On December 18, 2008, at an act celebrating Cuba, President Morales announced, "Imagine an Organization of American States so excluding, so discriminatory, so marginalizing (as to exclude Cuba)! If that is the OAS, comrades...better that we organize another organization with the countries of Latin America and the Caribbean, without the United States."

¶23. (U) Despite the events and accusations of the past year, on December 23, 2008 Morales announced that improved bilateral relations could be possible under the Obama Administration as long as the United States "respects Bolivia" and takes responsibility "for the damage they have done to Bolivia." Morales urged President Obama to make undefined changes to World Bank policy and compensate Bolivia for damages and deaths during violent conflicts in 2003, which he argued were caused by overly-austere U.S. and World Bank policies imposed on Bolivia.

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2009: A Contradictory Start  
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¶24. (SBU) On January 17, 2009 Morales announced himself "willing to recover diplomatic relations" with the United States and added that despite the decision to suspend ATPDEA benefits, he would not lodge a complaint at the WTO: "Trusting on the new American president, we have held back an international complaint that we had already prepared. We understand that he (President Obama) has the right to appeal (the ATPDEA decision) since we are capable of proving that the rules of international trade have not been respected."

¶25. (SBU) In a radio interview on January 18, Morales said that his military had informed him of plots against him: "Beyond a simple killing of the leader Evo, the plans went far beyond, and everything was known by DEA and therefore the U.S. government." Morales implied that plots against him would continue due to his political stance against the United States and Israel. Vice President Garcia Linera said publicly, "It is our hope that a new (U.S.) President, a President with another mentality, understands that the relation between big countries and small has to be based on mutual respect, on non-interference in internal affairs..."

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Comment  
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¶26. (C) Although President Evo Morales and his ministers say that they hope for improved relations with the Obama administration, other rhetoric and actions suggest that their view of improved relations will require dramatic changes in behavior and attitude on the part of the United States, not Bolivia. It is worth waiting to see if the Morales government provides any evidence of good faith to support their stated desire for improved relations, but extreme optimism is probably not warranted. End comment.  
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